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Arizona Corporation Commission
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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE
COMMISSION'S INQUIRY INTO
AMENDMENT OF THE COMMISSION'S
RULES RELATED TO PUBLIC SERVICE
CORPORATIONS RELEASE OF
CUSTOMER INFORMATION
INCLUDING AMENDMENT OF THE
RULES TO SPECIFICALLY ADDRESS
PRIVACY AND CONFIDENTIALITY
CONCERNS RELATED TO SMART
METERS

DOCKET NO: RU-00000A-14-0014

**EPCOR WATER USA INC.'S
COMMENTS ON PROPOSED RULES
CONCERNING RELEASE OF
CUSTOMER INFORMATION**

EPCOR Water USA Inc. ("EPCOR") makes the following comments in response to Staff's June 25, 2014 memorandum in the above-captioned matter.

EPCOR agrees with comments filed by The Residential Utility Consumers Office that Companies need certain information on each customer, at a bare minimum, in order to provide service to the customer. This basic and necessary information needs to be defined, and should not be the subject of an opt-in, opt-out discussion. A customer who is unwilling to provide the minimum information that is necessary for a business to provide the service is not being reasonable, and no Company should be forced into attempting to provide a service which it cannot provide.

EPCOR also suggests that the proposed rules only apply in those situations where the information would be used to directly promote and solicit additional services to the customer that will require additional payments. By contrast, initiatives conducted by a utility to better understand and analyze customer information to promote understanding of

1 usage and trends should only be subject to the protection of privacy legislation. The
2 sharing of relevant information with other organizations, public and private, for further
3 study and analysis, should be permitted without specific authorization from the customer.

4 In some areas of Arizona, water service and wastewater service may be provided
5 by two different entities. In these areas, the entity that provides wastewater services will
6 typically contract (with Commission approval) with the water provider to obtain customer
7 information that permits the billing of wastewater charges on the basis of water
8 consumption, or disconnection of water service for nonpayment of wastewater services.
9 These approved contractual arrangements should not be the subject of an opt-in, opt-out
10 discussion.

11 EPCOR is also concerned that it would preclude the company from sharing
12 information about its water customers with municipal wastewater providers who use that
13 information for billing purposes. The proposed regulation would allow EPCOR to share
14 customer information with another "utility," but that term is defined to encompass only
15 Arizona public service corporations, so it does not permit sharing the information with
16 municipalities.

17 With respect to Annual Reminders to Customers (R14-2207), EPCOR considers
18 that the provisions are onerous and will result in considerable cost to comply. As a
19 customer has the ability to opt-out at any time, EPCOR suggests that renewal be required
20 after 24 or 36 months in order to minimize the cost of administration. Further, the
21 provisions of R-14-2207 appear to be at odds with R14-2208.

22 Finally, with respect to R14-2212, electronic water meter programming and
23 encryption is proprietary to the manufacturer of the water meter, and EPCOR has little
24 ability to influence any changes to this technology. Although the information is kept
25 confidential, neither EPCOR nor any other water company have any ability to affect the
26 software between the meter and whatever device reads the meter. That is all proprietary

1 software. Unless there are similar requirements in a number of states, the meter
2 manufacturers may have varied responses to implementing encryption.

3 RESPECTFULLY SUBMITTED this 14th day of July, 2014.

4 FENNEMORE CRAIG, P.C.

6 By 

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9 ORIGINAL and thirteen (13) copies of the
10 foregoing, were filed
this 14th day of July, 2014, to:


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